

# Increased Tariff Taxes Are Not For War

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“Although labelled War Expenditures and War Taxation, these taxes and expenditures are not war measures at all; the object of this resolution (The Budget) is simply to benefit the privileged and protected classes.”—  
*Rt. Hon. Sir Wilfrid Laurier, House of Commons, March 10, 1915.*

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## **Increased Tariff Taxes are Not For War**

The first and principal comment upon the tariff proposals in the budget of 1915 is that they constitute a flagrant breach of the truce between the parties which was entered upon at the beginning of the War.

Under a truce between parties, all matters of habitual party controversy must be put aside and kept outside the scope of Parliament. Else there is no truce. People cannot reopen old subjects of contention at such a time, and there is no subject in all our Canadian politics that has given rise to so much difference of opinion between the parties as this question of tariff duties.

It is well known that Liberals and Conservatives hold different opinion on the subject, and that there are differences of opinion within the ranks of each party concerning it. If the Conservative Government had taken up the question of tariff revision at any time before the War began, and had taken their party responsibility for it, nobody could have complained. That was the right they had gained by their party victory.

What they have no moral right to do, and what they have done, is to smuggle in a high tariff measure under the pretence that it is a measure of war taxation.

Mr. A. K. Maclean, M.P., for Halifax, in his temperate but searching comments on the budget defined the proper attributes of war taxation. Having regard to the political truce, three of these attributes of the utmost importance are:

- (1.) A war tax should be of such a nature that it could be dropped on the termination of the purpose for which it was imposed.
- (2.) The revenue derived from it should go wholly to the treasury.
- (3.) It should not be susceptible of use to set up new vested interests.



**It does set up vested interests.** Mr. Maclean showed that twelve cents additional duty on iron ore carries ninety cents protection on a ton of iron and two dollars and twelve cents on a ton of rails. Here is a vested interest which will interpose strong resistance to restoring the old scale of duties at the end of the War. And to the extent that the increased protection diminishes import trade, the new duties will not produce new revenue for the Dominion Treasury at all.

It is therefore self-evident that this part of the budget was not designed to raise war taxes, but to please certain party friends. This being clear, it is also clear that the government have no intention of dropping the extra seven and a half per cent., but will keep the general tariff at the new high level and afterwards reduce the duties on raw materials to secure still further partisan advantage.

Such being the case, the tariff proposals constitute a flagrant violation of the truce between the parties, all the more flagrant since the present is no time for earnest consideration of what Canada's tariff should be. In point of fact, the government have tried to slip through, under cover of the flag of truce, more drastic fiscal legislation than they would likely have ventured to offer to Parliament if the War had not supervened, and they hope for political advantage in proportion to their achievement.

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## **Extravagance Taxes**

It is all very well to call them war taxes, but are they war taxes? It is admitted that all the money Canada has spent or is to spend on war, has been or will be borrowed. What then are the taxes for? Simply to cover up extravagant expenditures. Grant that the revenues have fallen off since the War began, and it still remains true that there would be little or no necessity for special taxes if the Borden Government had been satisfied to carry on the business of the Dominion on the scale of the last and most expensive years of the Laurier Administration. Everybody knows that during the fifteen years of Liberal rule the expense of Government went up. It had to. There was expansion everywhere. But can anybody point to anything that has happened since 1911 to warrant still further increase in the cost of Government? There has been nothing. Things have been getting worse and worse. And yet in the Government Departments the costs have gone up and up. Here for, example,



are some figures quoted by Mr. A. K. MacLean, M.P., to show what has gone on. He compares the present year's estimates with the expenditure in the year 1911-12.

	1912	1916
Civil Government.....	\$ 4,774,000.....	\$ 7,024,000
Fisheries.....	843,000.....	1,561,000
Mines.....	261,000.....	547,000
Immigration.....	1,364,000.....	1,875,000
Indians.....	1,756,000.....	2,254,000
Customs.....	2,443,000.....	4,215,000
Dom. Lands.....	2,277,000.....	3,475,000
Post Office.....	9,172,000.....	16,677,000
Public Works.....	10,344,000.....	22,351,000
Totals.....	\$33,234,000.....	\$59,979,000

In these items alone, and they cover considerably less than half the expenditure the Government is asking Parliament to ratify, **Apart from the War**, there is an excess expenditure over that thought necessary by the Liberals in the height of prosperity, of Twenty Seven Millions.

This result has been largely produced by extensive application of the principle, dear to these ministers, of dismissing two or three office holders and putting four or five new ones in their place. The stamp taxes are not for aid to General French. They are in aid of General Rogers, and the price of general inefficiency.